

# ATTACHMENT B

| 471 Application Number | FRN    | Applicant Name                  | Applicant Type | Applicant State | Applicant Street Address 1 | Applicant City | Applicant Zip Code | SPIN      | Service Provider Legal Name | Commitment Status FCDL | Commitment Status TXI FCDL   |
|------------------------|--------|---------------------------------|----------------|-----------------|----------------------------|----------------|--------------------|-----------|-----------------------------|------------------------|--|
| 226998                 | 552398 | BANNING UNIFIED SCHOOL DISTRICT | DISTRICT       | CA              | 161 W. WILLIAMS ST         | BANNING        | 92220              | 143005440 | Verizon Internet Solutions  | NOT FUNDED             | Associated Form 470 contains service provider(SP)contact information. Competitive bidding violation occurs when SP associated with Form 470 participates in competitive bidding process as a bidder. |
| 226998                 | 546133 | BANNING UNIFIED SCHOOL DISTRICT | DISTRICT       | CA              | 161 W. WILLIAMS ST         | BANNING        | 92220              | 143023665 | Accurate Technology Group   | NOT FUNDED             | Associated Form 470 contains service provider(SP)contact information. Competitive bidding violation occurs when SP associated with Form 470 participates in competitive bidding process as a bidder. |
| 226998                 | 523594 | BANNING UNIFIED SCHOOL DISTRICT | DISTRICT       | CA              | 161 W. WILLIAMS ST         | BANNING        | 92220              | 143004769 | Verizon California, Inc.    | NOT FUNDED             | Associated Form 470 contains service provider(SP)contact information. Competitive bidding violation occurs when SP associated with Form 470 participates in competitive bidding process as a bidder. |

|        |        |                                 |             |                    |         |       |           |                         |            |  |
|--------|--------|---------------------------------|-------------|--------------------|---------|-------|-----------|-------------------------|------------|--|
| 226998 | 523623 | BANNING UNIFIED SCHOOL DISTRICT | DISTRICT CA | 161 W. WILLIAMS ST | BANNING | 92220 | 143010165 | Spectrum Communications | NOT FUNDED | Associated Form 470 contains service provider(SP)contact information. Competitive bidding violation occurs when SP associated with Form 470 participates in competitive bidding process as a bidder. |
| 226998 | 523630 | BANNING UNIFIED SCHOOL DISTRICT | DISTRICT CA | 161 W. WILLIAMS ST | BANNING | 92220 | 143010165 | Spectrum Communications | NOT FUNDED | Associated Form 470 contains service provider(SP)contact information. Competitive bidding violation occurs when SP associated with Form 470 participates in competitive bidding process as a bidder. |
| 226998 | 523631 | BANNING UNIFIED SCHOOL DISTRICT | DISTRICT CA | 161 W. WILLIAMS ST | BANNING | 92220 | 143010165 | Spectrum Communications | NOT FUNDED | Associated Form 470 contains service provider(SP)contact information. Competitive bidding violation occurs when SP associated with Form 470 participates in competitive bidding process as a bidder. |

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|--------|--------|---------------------------------|-------------|--------------------|---------|-------|-----------|-------------------------|------------|--|
| 226998 | 523637 | BANNING UNIFIED SCHOOL DISTRICT | DISTRICT CA | 161 W. WILLIAMS ST | BANNING | 92220 | 143010165 | Spectrum Communications | NOT FUNDED | Associated Form 470 contains service provider(SP)contact information. Competitive bidding violation occurs when SP associated with Form 470 participates in competitive bidding process as a bidder. |
| 226998 | 523657 | BANNING UNIFIED SCHOOL DISTRICT | DISTRICT CA | 161 W. WILLIAMS ST | BANNING | 92220 | 143010165 | Spectrum Communications | NOT FUNDED | Associated Form 470 contains service provider(SP)contact information. Competitive bidding violation occurs when SP associated with Form 470 participates in competitive bidding process as a bidder. |
| 226998 | 523662 | BANNING UNIFIED SCHOOL DISTRICT | DISTRICT CA | 161 W. WILLIAMS ST | BANNING | 92220 | 143010165 | Spectrum Communications | NOT FUNDED | Associated Form 470 contains service provider(SP)contact information. Competitive bidding violation occurs when SP associated with Form 470 participates in competitive bidding process as a bidder. |

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|--------|--------|---------------------------------|-------------|--------------------|---------|-------|-----------|-------------------------|------------|--|
| 226998 | 523664 | BANNING UNIFIED SCHOOL DISTRICT | DISTRICT CA | 161 W. WILLIAMS ST | BANNING | 92220 | 143010165 | Spectrum Communications | NOT FUNDED | Associated Form 470 contains service provider(SP)contact information. Competitive bidding violation occurs when SP associated with Form 470 participates in competitive bidding process as a bidder. |
| 226998 | 523668 | BANNING UNIFIED SCHOOL DISTRICT | DISTRICT CA | 161 W. WILLIAMS ST | BANNING | 92220 | 143010165 | Spectrum Communications | NOT FUNDED | Associated Form 470 contains service provider(SP)contact information. Competitive bidding violation occurs when SP associated with Form 470 participates in competitive bidding process as a bidder. |
| 226998 | 523670 | BANNING UNIFIED SCHOOL DISTRICT | DISTRICT CA | 161 W. WILLIAMS ST | BANNING | 92220 | 143010165 | Spectrum Communications | NOT FUNDED | Associated Form 470 contains service provider(SP)contact information. Competitive bidding violation occurs when SP associated with Form 470 participates in competitive bidding process as a bidder. |

| Service_Si<br>art_Date_4<br>86 | Funding<br>Year | FCDL<br>Date | ORIG_SERVI<br>CE ID         | ORIG_TOTA<br>L_MONTHLY<br>COST | ORIG_TOT<br>AL_INELIG<br>_MONTHLY_<br>COST | ORIG_EST<br>MTD_MONT<br>HLY_COST | ORIG_MO<br>NTHS_OF<br>SERVIC<br>E | ORIG_MO<br>RING_CHA<br>RGES | ORIG_TOT<br>AL_ONE_T<br>IME_COST | ORIG_TO<br>T_ONE_T<br>IME_INELI<br>G_COST | ORIG_EST<br>MTD_ONE<br>_TIME_CO<br>ST |
|--------------------------------|-----------------|--------------|-----------------------------|--------------------------------|--|----------------------------------|-----------------------------------|-----------------------------|----------------------------------|---|---------------------------------------|
|                                | 2001            | 12/28/01     | INTERNET<br>ACCESS          | 2000                           | 0  | 2000                             | 12                                | 24000                       | 0                                | 0   | 0                                     |
|                                | 2001            | 12/28/01     | INTERNAL<br>CONNECTIO<br>NS | 0                              | 0  | 0                                | 12                                | 0                           | 500000                           | 0   | 500000                                |
|                                | 2001            | 12/28/01     | TELCOMM<br>SERVICES         | 14880.28                       | 0  | 14880.28                         | 12                                | 178563.36                   | 0                                | 0   | 0                                     |







| ORIG_EST<br>MTD_ANN<br>UAL_COST | ORIG_DI<br>SCOUNT<br>PCT | ORIG_RE<br>QUESTED<br>AMT | COMM_SERVIC<br>E ID     | COMMITTED<br>AMOUNT | COMM_TO<br>TAL_MONT<br>HLY_COST | COMM_TOT<br>AL_INELIG<br>MONTHLY_C<br>OST | COMM_EST<br>MTD_MONT<br>HLY_COST | COMM_MO<br>NTHS_OF<br>SERVICE | COMM_AN<br>NUAL_REC<br>URING_CH<br>ARGES | COMM_TOT<br>AL_ONE_T<br>IME_COST |
|---------------------------------|--------------------------|---------------------------|-------------------------|---------------------|---------------------------------|---|----------------------------------|-------------------------------|--|----------------------------------|
| 24000                           | 87                       | 20880                     | INTERNET<br>ACCESS      | 0                   | 2000                            | 0   | 2000                             | 12                            | 24000                                    | 0                                |
| 500000                          | 87                       | 435000                    | INTERNAL<br>CONNECTIONS | 0                   | 0                               | 0   | 0                                | 12                            | 0  | 500000                           |
| 178563.36                       | 87                       | 155350.12                 | TELCOMM<br>SERVICES     | 0                   | 14880.28                        | 0   | 14880.28                         | 12                            | 178563.36                                | 0                                |

|           |  |    |           |                      |   |   |   |   |   |    |   |           |
|-----------|--|----|-----------|----------------------|---|---|---|---|---|----|---|-----------|
| 406599.54 |  | 87 | 353741.6  | INTERNAL CONNECTIONS | 0 | 0 | 0 | 0 | 0 | 12 | 0 | 406599.54 |
| 198647.95 |  | 90 | 178783.16 | INTERNAL CONNECTIONS | 0 | 0 | 0 | 0 | 0 | 12 | 0 | 198647.95 |
| 445477.22 |  | 90 | 400929.5  | INTERNAL CONNECTIONS | 0 | 0 | 0 | 0 | 0 | 12 | 0 | 445477.22 |

|           |    |           |                      |   |   |   |   |   |   |    |   |           |
|-----------|----|-----------|----------------------|---|---|---|---|---|---|----|---|-----------|
| 400436.61 | 90 | 360392.95 | INTERNAL CONNECTIONS | 0 | 0 | 0 | 0 | 0 | 0 | 12 | 0 | 400436.61 |
| 452388.54 | 90 | 407131.69 | INTERNAL CONNECTIONS | 0 | 0 | 0 | 0 | 0 | 0 | 12 | 0 | 452388.54 |
| 506422.9  | 90 | 455780.61 | INTERNAL CONNECTIONS | 0 | 0 | 0 | 0 | 0 | 0 | 12 | 0 | 506422.9  |

|           |    |           |                      |   |   |   |   |   |    |   |           |
|-----------|----|-----------|----------------------|---|---|---|---|---|----|---|-----------|
| 180491.23 | 90 | 162442.11 | INTERNAL CONNECTIONS | 0 | 0 | 0 | 0 | 0 | 12 | 0 | 180491.23 |
| 377625.5  | 90 | 338862.95 | INTERNAL CONNECTIONS | 0 | 0 | 0 | 0 | 0 | 12 | 0 | 377625.5  |
| 236056.93 | 80 | 188845.54 | INTERNAL CONNECTIONS | 0 | 0 | 0 | 0 | 0 | 12 | 0 | 236056.93 |

| COMM_TOT<br>_ONE_TIME<br>_INELIG_CO<br>ST | COMM_ES<br>TMTD_ONE<br>_TIME_CO<br>ST | COMM_ES<br>TMTD_AN<br>NUAL_CO<br>ST | COMM_DI<br>SCOUNT_<br>PCT | COMM_RE<br>QUESTED_<br>AMT | ORIG_SER<br>VICE_STA<br>RT_DT_47<br>1 | ORIG_SER<br>VICE_END<br>DT_471 | COMM_SE<br>RVICE_ST<br>ART_DT_4<br>71 | COMM_SE<br>RVICE_EN<br>D_DT_471 |
|---|---------------------------------------|-------------------------------------|---------------------------|----------------------------|---------------------------------------|--------------------------------|---------------------------------------|---------------------------------|
| 0   | 0                                     | 24000                               | 87                        | 20880                      | 7/1/01                                | 6/30/02                        | 7/1/01                                | 6/30/02                         |
| 0   | 500000                                | 500000                              | 87                        | 435000                     | 7/1/01                                | 6/30/03                        | 7/1/01                                | 6/30/03                         |
| 0   | 0                                     | 178563.36                           | 87                        | 155350.123                 | 7/1/01                                | 6/30/02                        | 7/1/01                                | 6/30/02                         |

|   |           |           |    |            |        |         |        |         |
|---|-----------|-----------|----|------------|--------|---------|--------|---------|
| 0 | 406599.54 | 406599.54 | 87 | 353741.6   | 7/1/01 | 6/30/03 | 7/1/01 | 6/30/03 |
| 0 | 198647.95 | 198647.95 | 90 | 178783.155 | 7/1/01 | 6/30/03 | 7/1/01 | 6/30/03 |
| 0 | 445477.22 | 445477.22 | 90 | 400929.498 | 7/1/01 | 6/30/03 | 7/1/01 | 6/30/03 |

|   |           |           |    |            |        |         |        |         |
|---|-----------|-----------|----|------------|--------|---------|--------|---------|
| 0 | 400436.61 | 400436.61 | 90 | 360392.949 | 7/1/01 | 6/30/03 | 7/1/01 | 6/30/03 |
| 0 | 452368.54 | 452368.54 | 90 | 407131.666 | 7/1/01 | 6/30/03 | 7/1/01 | 6/30/03 |
| 0 | 506422.9  | 506422.9  | 90 | 455780.61  | 7/1/01 | 6/30/03 | 7/1/01 | 6/30/03 |

|   |           |           |    |            |        |         |        |         |
|---|-----------|-----------|----|------------|--------|---------|--------|---------|
| 0 | 180491.23 | 180491.23 | 90 | 162442.107 | 7/1/01 | 6/30/03 | 7/1/01 | 6/30/03 |
| 0 | 377625.5  | 377625.5  | 90 | 339862.85  | 7/1/01 | 6/30/03 | 7/1/01 | 6/30/03 |
| 0 | 236056.93 | 236056.93 | 80 | 188845.544 | 7/1/01 | 6/30/03 | 7/1/01 | 6/30/03 |

October 16, 2002

Letter of Appeal  
 Schools and Libraries Division  
 Box 125 -- Correspondence Unit  
 80 South Jefferson Road  
 Whippany, NJ 07891

Dear Sir or Madam:

Banning Unified School District (entity # 143678) is appealing the FCDL (Funding Commitment Decision Letter) that was sent on December 16, 2001, for E-RATE funding year IV. This appeal is for the following Application Number and FRNs (Funding Request Numbers):

| Application Number | Funding Request Number |
|--------------------|------------------------|
| 226998             | 523594                 |
| 226998             | 523630                 |
| 226998             | 523631                 |
| 226998             | 523637                 |
| 226998             | 523657                 |
| 226998             | 523662                 |
| 226998             | 523664                 |
| 226998             | 523668                 |
| 226998             | 523670                 |
| 226998             | 552398                 |

The Funding Commitment Decision Explanation cited on the FCDL states the following: "Associated Form 470 contains service provider (SP) contact information. Competitive bidding violation occurs when SP associated with Form 470 participates in competitive bidding process." The basis of this appeal is that the provider of the above listed FRN's, Spectrum Communications (SPIN # 143010165), Verizon California, Inc. (SPIN # 143004769), and Verizon Internet Solutions (SPIN # 143005440) is not the point of contact, nor listed as the point of contact for the related Form 470, and therefore there was not a violation of the competitive bidding procedure within these FRN's.

The District is not appealing FRN 523623, that was also listed on our application 226998 for funding year 4. The consulting firm Accurate Technology Group, "ATG" (SPIN # 143023665) has been retained by the district for network design, maintenance, and professional services. Pursuant to our request, ATG requested a SPIN change for FRN 523623 and only for this FRN. Mr. Carlos Perez, is also listed as the point of contact for the District's Funding Year 4 Form 470's, as his firm, 'ATG' functions as the District's IT department. We realize in hindsight that the SPIN change request for FRN 523623, could be perceived as a violation of competitive bidding, and therefore the District is not appealing the decision on this particular FRN.

We believe and respectfully request that our Year 4 application be approved, with the exception of FRN 523623.

Please contact me directly with any questions or comments concerning this appeal and other E-RATE information needed. I appreciate your help and assistance with this matter.

Sincerely,

Dr. Kathy McNamara  
 Superintendent  
 Banning Unified School District  
 161 W. Williams Street  
 Banning, CA 92220  
 (909) 922-2705

Federal Communications Commission

DA 03-393

Before the  
Federal Communications Commission  
Washington, DC 20554

|  |   |                     |
|--|---|---------------------|
| In the Matter of                                 | ) |                     |
|  | ) |                     |
| Requests for Review of the                       | ) |                     |
| Decision of the                                  | ) |                     |
| Universal Service Administrator by               | ) |                     |
|  | ) |                     |
| Banning Unified School District                  | ) | File No. SLD-226998 |
| Banning, California                              | ) |                     |
|  | ) |                     |
| Burgundy Farm Country Day School                 | ) | File No. SLD-191800 |
| Alexandria, Virginia                             | ) |                     |
|  | ) |                     |
| Our Lady of Refuge School                        | ) | File No. SLD-203596 |
| Brooklyn, New York                               | ) |                     |
|  | ) |                     |
| Prairie-Hills Elementary School District No. 144 | ) | File No. SLD-252724 |
| Hazel Crest, Illinois                            | ) |                     |
|  | ) |                     |
| School District of the Wisconsin Dells           | ) | File No. SLD-245387 |
| Wisconsin Dells, Wisconsin                       | ) |                     |
|  | ) |                     |
| Stafford Municipal School District               | ) | File No. SLD-312485 |
| Stafford, Texas                                  | ) |                     |
|  | ) |                     |
| Federal-State Joint Board on                     | ) | CC Docket No. 96-45 |
| Universal Service                                | ) |                     |
|  | ) |                     |
| Changes to the Board of Directors of the         | ) | CC Docket No. 97-21 |
| National Exchange Carrier Association, Inc.      | ) |                     |

**ORDER**

**Adopted: February 10, 2003**

**Released: February 11, 2003**

By the Telecommunications Access Policy Division, Wireline Competition Bureau:

1. The Telecommunications Access Policy Division (Division) has under consideration the above-captioned Requests for Review of decisions issued by the Schools and Libraries

## Federal Communications Commission

DA 03-393

Division (SLD) of the Universal Service Administrative Company.<sup>1</sup> These requests seek review of SLD decisions pursuant to section 54.719(c) of the Commission's rules.<sup>2</sup>

2. The Commission's rules provide that the Wireline Competition Bureau (Bureau) must issue a decision resolving a request for review of matters properly before it within ninety (90) days unless the time period is extended.<sup>3</sup> The Bureau extended by sixty (60) days the time period for considering the Requests for Review.<sup>4</sup> The Bureau requires additional time to review the issues presented. Accordingly, we extend by an additional thirty (30) days the deadline by which the Bureau must take action regarding the instant Requests for Review of decisions by the SLD.

3. Accordingly, IT IS ORDERED, pursuant to section 54.724(a) of the Commission's rules, 47 C.F.R. § 54.724(a), that the time period for taking action in the above-captioned Requests for Review IS EXTENDED BY an additional thirty (30) days to March 19, 2003, for the Request for Review filed by Banning Unified School District, Banning, California; to March 6, 2003, for the Request for Review filed by Burgundy Farm Country Day School, Alexandria, Virginia; to March 19, 2003, for the Request for Review filed by Our Lady of Refuge School, Brooklyn, New York; to March 17, 2003, for the Request for Review filed by Prairie Hills Elementary School District No. 144, Hazel Crest, Illinois; to March 6, 2003, for the Request for Review filed by School District of the Wisconsin Dells, Wisconsin Dells, Wisconsin; to March 31, 2003, for the Request for Review filed by Stafford Municipal School District, Stafford, Texas.

## FEDERAL COMMUNICATIONS COMMISSION

Mark G. Seifert  
Deputy Chief, Telecommunications Access Policy Division  
Wireline Competition Bureau

<sup>1</sup> Letter from Robert Rivera, Banning Unified School District, filed September 20, 2002; Letter from Kelsey Neal and Jerry Marchildon, Burgundy Farm Country Day School, filed September 9, 2002; Letter from Regina M. Padron, Our Lady of Refuge School, filed September 20, 2002; Letter from J. Kay Giles, Prairie Hills Elementary School District No. 144, filed September 17, 2002; Letter from Ann Gissal and Albert King, School District of Wisconsin Dells, filed September 9, 2002; Letter from Charlotte Holden, Stafford Municipal School District, filed October 4, 2002 (Requests for Review).

<sup>2</sup> See Requests for Review. Section 54.719(c) of the Commission's rules provides that any person aggrieved by an action taken by a division of the Administrator may seek review from the Commission. 47 C.F.R. § 54.719(c).

<sup>3</sup> 47 C.F.R. § 54.724(a).

<sup>4</sup> *Requests for Review of Decisions of the Universal Service Administrator by Baltimore County Public Schools, Towson, Maryland, et al. Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc.*, CC Docket Nos. 96-45 and 97-21, Order, DA 03-38 (Wir. Com. Bur. rel. Jan. 9, 2003).

Federal Communications Commission

FCC 00-100

Before the  
Federal Communications Commission  
Washington, DC 20554

|   |   |                     |
|---|---|---------------------|
| In the Matter of                            | ) |                     |
|   | ) |                     |
| Request for Review of the                   | ) |                     |
| Decision of the                             | ) |                     |
| Universal Service Administrator by          | ) |                     |
|   | ) |                     |
| Copan Public Schools                        | ) | File No. SLD-26231  |
| Copan, Oklahoma                             | ) |                     |
|   | ) |                     |
| Federal-State Joint Board on                | ) | CC Docket No. 96-45 |
| Universal Service                           | ) |                     |
|   | ) |                     |
| Changes to the Board of Directors of the    | ) | CC Docket No. 97-21 |
| National Exchange Carrier Association, Inc. | ) |                     |

**ORDER**

**Adopted: March 14, 2000**

**Released: March 16, 2000**

By the Commission:

1. This Order grants the Letter of Appeal of Copan Public Schools, Copan, Oklahoma (Copan), that was received by the Commission on September 17, 1999.<sup>1</sup> Copan's Letter of Appeal seeks review of a decision of the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC or Administrator),<sup>2</sup> pursuant to which SLD denied Copan's request to change a service provider for the 1998 funding year. This process is referred to as a Service Provider Identification Number (SPIN) change request. For the reasons discussed below, we modify the current categories of permissible SPIN changes and permit a SPIN change whenever an applicant certifies that (1) the SPIN change is allowed under its state and local procurement rules and under the terms of the contract between the applicant and its original service provider, and (2) the applicant has notified its original service provider of its intent to change service providers.

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<sup>1</sup> Letter from Delbert W. Moreland, Jr. Superintendent, Copan Public Schools, to Federal Communications Commission (filed Sept. 17, 1999) (Letter of Appeal).

<sup>2</sup> Section 54.719(c) of the Commission's rules provides that any person aggrieved by an action taken by a division of the Administrator may seek review from the Commission. 47 C.F.R. § 54.719(c).

## Federal Communications Commission

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**I. BACKGROUND**

2. Under the schools and libraries universal service support mechanism, eligible schools, libraries, and consortia that include eligible schools and libraries, may apply for discounts on eligible telecommunications services, Internet access, and internal connections.<sup>3</sup> In the *Universal Service Order*, the Commission determined that competitive bidding is the most efficient means for ensuring that eligible schools and libraries are informed of the choices available to them and receive the lowest prices.<sup>4</sup> Thus, the Commission's rules require eligible schools and libraries to seek competitive bids for all services eligible for discounts.<sup>5</sup> To comply with the competitive bidding requirement, the Commission's rules require that an applicant submit to the Administrator a completed FCC Form 470, in which the applicant sets forth its technological needs and lists the services for which it seeks discounts.<sup>6</sup> The Administrator must post the FCC Form 470 to its web site, where it can be considered by all potential service providers.<sup>7</sup> The applicant then must wait 28 days and "carefully consider all bids submitted" before selecting a service provider, subject to any state or local procurement rules.<sup>8</sup> Once the FCC Form 470 has been posted for 28 days and the applicant has signed a contract for eligible services with a service provider, the applicant must submit a completed FCC Form 471 application to notify the Administrator of the services that have been ordered, the service provider with which the applicant has signed a contract, and an estimate of the funds needed to cover the discounted portion of the price of the eligible services.<sup>9</sup>

3. In adopting rules governing the application and competitive bidding processes, the Commission did not address the situation in which a school or library would change service providers after the school or library has submitted an FCC Form 471 application designating a particular service provider. Indeed, section 54.504(c), which makes commitments of support contingent upon the applicant's filing of an FCC Form 471 identifying the service provider with which the applicant has signed a contract, makes no provision for a change of providers once a commitment of support has been made.<sup>10</sup> To avoid penalizing an applicant that discovers only after filing its FCC Form 471 that its service provider is unwilling or unable to provide service to

<sup>3</sup> 47 C.F.R. §§ 54.502, 54.503.

<sup>4</sup> *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776, 9029, para. 480 (1997) (*Universal Service Order*), as corrected by *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Errata, FCC 97-157 (rel. June 4, 1997), *affirmed in part, reversed in part, and remanded in part*, *Texas Office of Public Utility Counsel v. FCC*, 183 F.3d 393 (5<sup>th</sup> Cir. 1999) (*affirming Universal Service Order in part and reversing and remanding on unrelated grounds*), petitions for cert. pending.

<sup>5</sup> 47 C.F.R. § 54.504.

<sup>6</sup> 47 C.F.R. § 54.504(b)(1), (b)(3).

<sup>7</sup> 47 C.F.R. § 54.504(b)(3).

<sup>8</sup> 47 C.F.R. §§ 54.504(b)(3), (b)(4); 54.511(a).

<sup>9</sup> 47 C.F.R. § 54.504(c).

<sup>10</sup> 47 C.F.R. § 54.504(c).

## Federal Communications Commission

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the applicant, SLD announced, after consultation with Commission staff, that SPIN changes would be allowed when a service provider: (1) refuses to participate in the schools and libraries support mechanism; (2) has gone out of business; or (3) has breached its contract with the applicant.<sup>11</sup> The SLD guidelines require an applicant to submit specific documentation to establish the applicant's entitlement to each of these exceptions.<sup>12</sup> The guidelines also require that the substitute service provider selected have participated in the applicant's competitive bidding process.<sup>13</sup>

## II. COPAN'S APPEAL

4. On April 5, 1999, Copan submitted a letter to SLD informing SLD of its intent to change service providers.<sup>14</sup> Copan explained that the SPIN change was necessitated by the fact that United Systems, the service provider originally listed on its FCC Form 471 as its provider of internal connections, had relocated to another city and, therefore, was unable to provide Copan with "continuous service."<sup>15</sup> On August 18, 1999, SLD denied the request.<sup>16</sup> In its letter, SLD stated that it could grant SPIN change requests only if the applicant's service provider: (1) refuses to participate in the schools and libraries program; (2) has gone out of business; or (3) has breached its contract with the applicant. The Administrator determined that Copan's submission did not satisfy any of these criteria for granting a SPIN change and, therefore, denied Copan's request.<sup>17</sup>

5. In the Letter of Appeal that is before us, Copan asks us to reverse the determination of the Administrator and find that Copan did satisfy the appropriate criteria for granting a SPIN change.<sup>18</sup> Copan states that, in connection with United Systems' decision to relocate to a larger market, United Systems had informed Copan that provision of service to Copan was not a priority and that it presently was not adequately staffed to fulfill its obligations

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<sup>11</sup> Universal Service Administrative Company, Schools and Libraries Division, "SPIN Correction and Change Procedures," SLD web site, /<http://www.sl.universalservice.org/Reference/spin.asp>.

<sup>12</sup> For example, an applicant alleging that its originally chosen service provider refuses to participate in the schools and libraries support mechanism must provide documentation of the provider's refusal to participate and the applicant's notification to the provider that the applicant is terminating the contract or relationship. Universal Service Administrative Company, Schools and Libraries Division, "SPIN Correction and Change Procedures," SLD web site, /<http://www.sl.universalservice.org/Reference/spin.asp>.

<sup>13</sup> Universal Service Administrative Company, Schools and Libraries Division, "SPIN Correction and Change Procedures," SLD web site, /<http://www.sl.universalservice.org/Reference/spin.asp>.

<sup>14</sup> Letter from Delbert Moreland, Superintendent, Copan Public Schools, to the Schools and Libraries Corporation, undated (filed April 5, 1999) (April 5, 1999 Letter).

<sup>15</sup> April 5, 1999 Letter.

<sup>16</sup> Letter from Schools and Libraries Division, Universal Service Administrative Company, to Delbert Moreland, Copan Public Schools (dated Aug. 18, 1999) (August 18, 1999 Letter).

<sup>17</sup> August 18, 1999 Letter.

<sup>18</sup> Letter of Appeal at 1.

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to the school.<sup>19</sup> Copan understood that United Systems would not be able to provide service to Copan for a full year. Copan interpreted United Systems' pronouncements as indications of breach of contract by United Systems, evidenced by its failure to provide the service as originally agreed upon. Consequently, Copan contracted with a substitute provider that agreed to provide the service at a rate lower than that previously agreed to by United Systems.<sup>20</sup> Based on its view that United Systems breached its contract with Copan, Copan argues that its substitution of service providers does fall within one of the enumerated exceptions and, therefore, that SLD should have approved its request to substitute service providers. Finally, to the extent that it had no notice of any restrictions on its ability to substitute service providers during the time period in question, Copan contends that the imposition of such restrictions "after the fact" constitutes a violation of Copan's right to due process.<sup>21</sup>

### III. DISCUSSION

#### A. Revised Policy on SPIN Changes

6. In this Order, we modify the current categories of permissible SPIN changes and permit a SPIN change whenever an applicant certifies that (1) the SPIN change is allowed under its state and local procurement rules and under the terms of the contract between the applicant and its original service provider, and (2) the applicant has notified its original service provider of its intent to change service providers. We will no longer restrict SPIN changes to those categories currently enumerated in the SLD guidelines (*i.e.*, service provider refuses to participate, has gone out of business, or has breached its contract), to avoid penalizing an applicant that either would be entitled to a SPIN change under the current guidelines but for a lack of particular documentation, or whose justification for a SPIN change, however reasonable, may not fit squarely within the existing three exceptions. We therefore need not address whether Copan's situation falls within one of the previously enumerated situations in which an applicant may substitute service providers.

7. We decline to maintain particular categories of permissible SPIN changes based on our belief that we cannot anticipate the variety of circumstances under which it may be reasonable for an applicant to substitute service providers. Although we do not wish to

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<sup>19</sup> Letter of Appeal at 1.

<sup>20</sup> In a telephone conversation with Commission staff, Copan indicated that the substitute provider, Banner Communications, did not participate in the competitive bidding process for service to Copan. As explained by a representative for Copan, United Systems, Copan's originally selected provider, was the lowest priced bidder among the three providers that participated in the competitive bidding. Copan states that the bids received by the two remaining providers were substantially higher and, had Copan been required to select one of these, Copan could not have afforded the nondiscounted portion of the bid price and would have had to forego receiving the service. Around the time that United Systems had announced its intention to relocate, Copan became aware of Banner Communications, a newly established service provider that offered the service at a lower price than the price at which United Systems had agreed to provide the service.

<sup>21</sup> Letter of Appeal at 1.

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encourage service provider substitutions,<sup>22</sup> we recognize that circumstances for applicants and providers may change over the course of a relationship, as appears to have been the case in Copan. Accordingly, where an applicant determines that a SPIN change is allowed under its state and local procurement rules and under the contract between the applicant and its original provider, we will not limit the applicant's ability to substitute providers or otherwise deny the applicant the benefits of universal service support.<sup>23</sup> This policy is consistent with the Commission's express goal of affording schools and libraries maximum flexibility to choose the offering that meets their needs most effectively and efficiently.<sup>24</sup>

**B. Funding Level Not to Exceed Level Requested on FCC Form 471**

8. In allowing service provider substitutions, we will not permit a substitute service provider to receive funding for a service in an amount exceeding the amount requested on the applicant's FCC Form 471 for that service. Rather, a funding request in such a situation may be funded only up to the amount originally requested by the applicant on its FCC Form 471. Adopting this limitation on the amount of funds requested is consistent with the position that has been taken in other schools and libraries appeals.<sup>25</sup> In addition, such a limitation is critical to enabling the Administrator to project the level of demand for the schools and libraries support mechanism and to implement the Commission's rules of priority, as necessary.<sup>26</sup>

<sup>22</sup> Such changes can be disruptive to the Administrator and the parties and the processing of such requests is likely to entail additional burdens on the Administrator.

<sup>23</sup> We do not anticipate that a school would terminate a contract with a service provider without legal justification, since to do so could place the school in jeopardy of suit in state court. If an applicant's original service provider disputes the applicant's legal justification for terminating a contract with that provider, we note that our determination to permit a SPIN change in that instance should not prejudice the parties' rights under that contract. Rather, in light of the Commission's longstanding policy of refusing to adjudicate private contract law questions for which a forum exists in the state courts, a state court and not the Commission is the appropriate forum for rendering such a determination. *See Listeners' Guild v. FCC*, 813 F.2d 465, 469 (D.C. Cir. 1987) (noting with approval Commission's "longstanding policy of refusing to adjudicate private contract law questions for which a forum exists in the state courts.").

<sup>24</sup> *Universal Service Order*, 12 FCC Rcd at 9029, para. 481. We note, however, that, although we are providing applicants greater latitude to substitute service providers, we continue to require applicants to report and seek approval for SPIN changes from the Administrator. Reporting such changes helps to ensure that applicants and the service providers with whom they contract are in compliance with the Commission's universal service program rules. It continues to be necessary for applicants to apprise the Administrator of SPIN changes in order to allow the Administrator to determine, for example, whether service providers are eligible to furnish the specified services. Moreover, the reporting of SPIN changes is necessary so that the Administrator can correctly process the payment of discounts to service providers.

<sup>25</sup> *Request for Review of the Scranton School District, Scranton, Pennsylvania*, CC Docket Nos. 96-45, 97-21, DA 00-20 (Com. Car. Bur. 2000) (notwithstanding applicant's error on its FCC Form 471, applicant was limited to amount of funding requested on the FCC Form 471).

<sup>26</sup> The rules of priority, established in the Commission's *Fifth Order on Reconsideration*, govern the manner in which discounts are allocated when available funding is less than total demand and a filing window is in effect. *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, *Fifth Order on Reconsideration*, 13 FCC Rcd 14915, 14934, para. 31 (1998).

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**C. Participation in Initial Bidding by Substitute Service Provider**

9. In considering Copan's Letter of Appeal, we permit the service provider substitution that took place, notwithstanding the fact that the substitute service provider selected did not participate in the initial competitive bidding process for service to Copan. Given that Copan fully complied with the 28-day posting requirement, and all service providers had the opportunity to compete to provide the requested service,<sup>27</sup> we find that the substitution of a newly identified service provider subsequent to the filing of Copan's FCC Form 471 does not compromise the benefits derived from competition in Copan's initial competitive bidding process. Indeed, the fact that the substitute service provider agreed to provide the service at a lower price than the prices at which the other bidders, including Copan's originally selected service provider, had offered to provide the same service, suggests that the competitive process may be enhanced by permitting substitutions of providers whose bids are received outside the 28-day competitive bidding process.

10. To hold otherwise could place the Commission in a position of requiring a school to select a service provider solely because the provider submitted a bid in connection with the school's initial competitive bidding, despite the fact that the provider's price may be less competitive or the service is in some manner less suitable for the school than that of another provider that submitted a bid later in the process. Such a holding would be inconsistent with our goal of affording schools and libraries flexibility to determine the offering that meets their needs most effectively and efficiently.<sup>28</sup> Just as we cannot anticipate the variety of factual circumstances in which it may be reasonable to substitute service providers, we likewise cannot anticipate the circumstances in which it may be reasonable to select a substitute service provider that did not participate in the initial competitive bidding for that applicant. For example, if the original bidders are no longer willing to provide the requested service, or if the applicant discovers a provider offering more competitive prices, then we believe that the applicant should have the flexibility to select the provider whose service offering best meets the applicant's needs. Accordingly, where an applicant has complied with the Commission's competitive bidding requirement, has determined that a service provider substitution is permitted under the terms of the contract with its original service provider and relevant state or local laws, and has notified its original provider of its intent to change providers, we decline to confine an applicant's choice of a substitute service provider solely to those providers that participated in the applicant's initial competitive bidding process.

11. To effectuate the decision above, we will permit Copan to file with SLD documentation consistent with paragraph 6 above within 30 days of the release date of this

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<sup>27</sup> The competitive bidding requirement is contained in section 54.504(a) of the Commission's rules. That section provides in relevant part that "an eligible school, library, or consortium that includes an eligible school or library shall seek competitive bids, pursuant to the requirements established in this subpart, for all services eligible for support under §§ 54.502 and 54.503. These competitive bid[ding] requirements apply in addition to state and local competitive bid[ding] requirements and are not intended to preempt such state or local requirements." 47 C.F.R. § 54.504(a).

<sup>28</sup> *Universal Service Order*, 12 FCC Red at 9029, para. 481.

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Order. We direct SLD to consider the submitted documentation and act in accordance with this Order.

**IV. ORDERING CLAUSE**

12. Accordingly, **IT IS ORDERED**, pursuant to sections 1-4, and 254 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151-154 and 254, and sections 54.719 and 54.722 of the Commission's rules, 47 C.F.R. §§ 54.719 and 54.722, that the Letter of Appeal filed on September 17, 1999, by Copan Public Schools of Copan, Oklahoma **IS GRANTED** to the extent provided herein.

**FEDERAL COMMUNICATIONS COMMISSION**

**Magalie Roman Salas**  
Secretary

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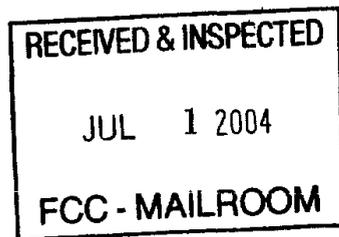
June 29, 2004

Marlene H. Dortch, Secretary  
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Federal Communications Commission  
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Schools and Libraries Division  
 Box 125 - Correspondence Unit  
 80 South Jefferson Road  
 Whippany, NJ 07891



RE: **STATUS REQUEST**; In the Matter of: Request for Review by Spectrum Communications Cabling Services Inc. in Decision of Universal Service Administrator CC Dockets NO. 96-45 and 97-21.

Title of Decision being Appealed: Administrator's Decision on Appeal - Funding Year 2001-2002 (dated July 22, 2002)

Applicant Name: Banning Unified School District (Billed Entity Number: 143678)

471 Application Number: 226998

Funding Request Numbers: 523594, 523630, 523631, 523637, 523657, 523662, 523664, 523668, 523670, 552398

Ms. Dortch:

Almost 2 years ago, on September 20, 2002 Spectrum Communications Cabling Services Inc. ("Spectrum"), properly submitted to the Federal Communications Commission ("Commission") a Request for Review on the Decision of the Universal Service Administrator regarding Banning Unified School District's application and subsequent denial for E-Rate funding for Program Funding Year 2001-2002. (Attachments 1)

Status Request of Appeal filed for Banning Unified School District  
Page 2.

Additionally, Banning Unified School District also submitted a Letter of Appeal (dated October 16, 2002) to the Schools and Libraries Division of USAC (Universal Service Administrative Company). (Attachment 2)

Fifteen months ago, On February 10, 2003 the Federal Communications Commission (DA 03-393) 'Extended By an additional thirty (30) days to March 19, 2003' Banning Unified School District's request for review (File No. SLD-226998). (Attachments 3)

As of this day neither our appeal to the Federal Communications Commission, nor Banning Unified School District's appeal to the Schools and Libraries Division of USAC have had the opportunity for Review. This undermines the 'due process' which Banning and Spectrum have the right to review, and is unfair to both Banning Unified School District and Spectrum.

Certainly the Federal Communications Commission has reviewed appeals which came some time after the filing of Banning and Spectrum's appeal. For example, Ysleta Independent School District which was filed January 30, 2003 (SLD No. 3214790 and decided on December 4 2003.

The appeal before you is neither unique nor novel; it is a straight forward issue of the rules set forth by the Federal Communications Commission in the order known as *Copan*. (Attachments 4)

In this appeal, Banning Unified School District hired a consultant to help with its E-Rate filing. Spectrum responded and provided proposals to Banning Unified School District in response to its filing of the Form 470. Subsequently Spectrum was awarded several of the Internal Connection projects. After having submitted Banning's Form 471 to the SLD, its consultant, without Banning's knowledge or approval submitted a Service Provider Identification Number (SPIN) change to the SLD for one (1) Funding Request, that of the maintenance (FRN 523623). This resulted in the SLD denial of all of Banning's E-Rate application for Funding Year 2001-2002.

It is therefore our contention that the SLD did not comply with the rules dictated by the FCC in the *Copan* Order by allowing a SPIN change to occur which in turn resulted in the denial of the entire Form 470 because of 'vendor involvement', a clear rule violation.

Had the SLD followed the rules set forth by the Commission in the *Copan* Order, it would have determined that the consultant did not, notify the vendor (Spectrum) of the intended change of the SPIN and it was not allowable by California State law, the two requirements of the *Copan* Order.

Status Request of Appeal filed for Banning Unified School District  
Page 3.

I write this letter to ask that you please make an immediate decision in this appeal. Both Banning Unified School District and Spectrum Communications have been harmed by this erroneous decision as well as the 2 years it has taken in which to have our appeal decided by the Commission.

Please help.

Respectfully Submitted,



Robert Rivera  
President/CEO  
Spectrum Communications

RR;ah

Attachments



**SPECTRUM COMMUNICATIONS**  
**CABLING SERVICES, INC.**

September 20, 2002

*By Hand Delivery*

Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Re: In the Matter of: Request for Review by Spectrum Communications and Cabling Services Inc. of Decision of Universal Service Administrator  
CC Dockets No. 96-45 and 97-21

Title of Decision Being Appealed: *Administrator's Decision on Appeal – Funding Year 2001-2002 (dated July 22, 2002)*

Applicant Name: Banning Unified School District (Billed Entity Number: 143678)

471 Application Number: 226998

Funding Request Numbers: 523594, 523630, 523631, 523637, 523657, 523662, 523664, 523668, 523670, 552398

Dear Ms. Dortch:

Spectrum Communications and Cabling Services Inc. ("Spectrum"), pursuant to sections 54.719(c) and 54.722 of the rules of the Federal Communications Commission ("Commission" or "FCC"),<sup>1</sup> hereby requests that the Commission review a decision on appeal issued by the Schools and Library Division ("SLD") of the Universal Service Administrative Company ("USAC") on July 22, 2002, and direct SLD/USAC to fund all of the funding requests associated with the above-referenced Form 471 Application. In the alternative, Spectrum requests that the FCC direct USAC to modify the language on its website explaining its decision to deny funding for the above-referenced Form 471 Application.

<sup>1</sup> 47 C.F.R. §§ 54.719(c) and 54.722.